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# 延長石油國際有限公司

## YANCHANG PETROLEUM INTERNATIONAL LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00346)**

### **CHANGE OF AUDITOR**

The Board announces that HLB has resigned as the auditor of the Company, and KPMG has been appointed as the auditor of the Company with immediate effect to fill the casual vacancy following the resignation of HLB and to hold office until the conclusion of the next annual general meeting of the Company.

The board (the “Board”) of directors (the “Director(s)”) of Yanchang Petroleum International Limited (the “Company”, together with its subsidiaries, the “Group”) announces that HLB Hodgson Impey Cheng Limited (“HLB”) has resigned as the auditor of the Company with effect from 10 November 2017.

Apart from the reason that the Company and HLB could not reach a consensus on the level of audit fee for the financial year ending 31 December 2017, the Board considers that changing the auditor of the Company after an appropriate period of time is a good corporate governance practice as HLB has been the auditor of the Company since 2001. The Board also considers that the engagement of one of the big four internationally well-known accounting firms would cope with the Company’s objective to grow business internationally and help to enhance its international foothold. The Board has thus resolved, with the recommendation from the audit committee of the Company to propose the appointment of KPMG, Certified Public Accountants (“KPMG”), as the new auditor of the Company to fill the causal vacancy following the resignation of HLB and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

The Company has received a confirmation from HLB that there is no matter which HLB needs to bring to the attention of the shareholders of the Company in relation to its resignation as auditor of the Company. The Board has also confirmed that there is no disagreement between HLB and the Company, and there is no matter in respect of the proposed change of auditor and resignation of HLB that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to HLB for its professional and quality services rendered for the Group during the past years.

By Order of the Board  
**Yanchang Petroleum International Limited**  
**Li Yi**  
*Chairman*

Hong Kong, 10 November 2017

***Executive Directors:***

Mr. Li Yi (*Chairman*)  
Mr. Bruno Deruyck (*Chief Executive Officer*)  
Mr. Shen Hao  
Ms. Sha Chunzhi  
Mr. Li Jun  
Mr. Tan Meng Seng

***Independent Non-Executive Directors:***

Mr. Ng Wing Ka  
Mr. Leung Ting Yuk  
Mr. Sun Liming  
Dr. Mu Guodong